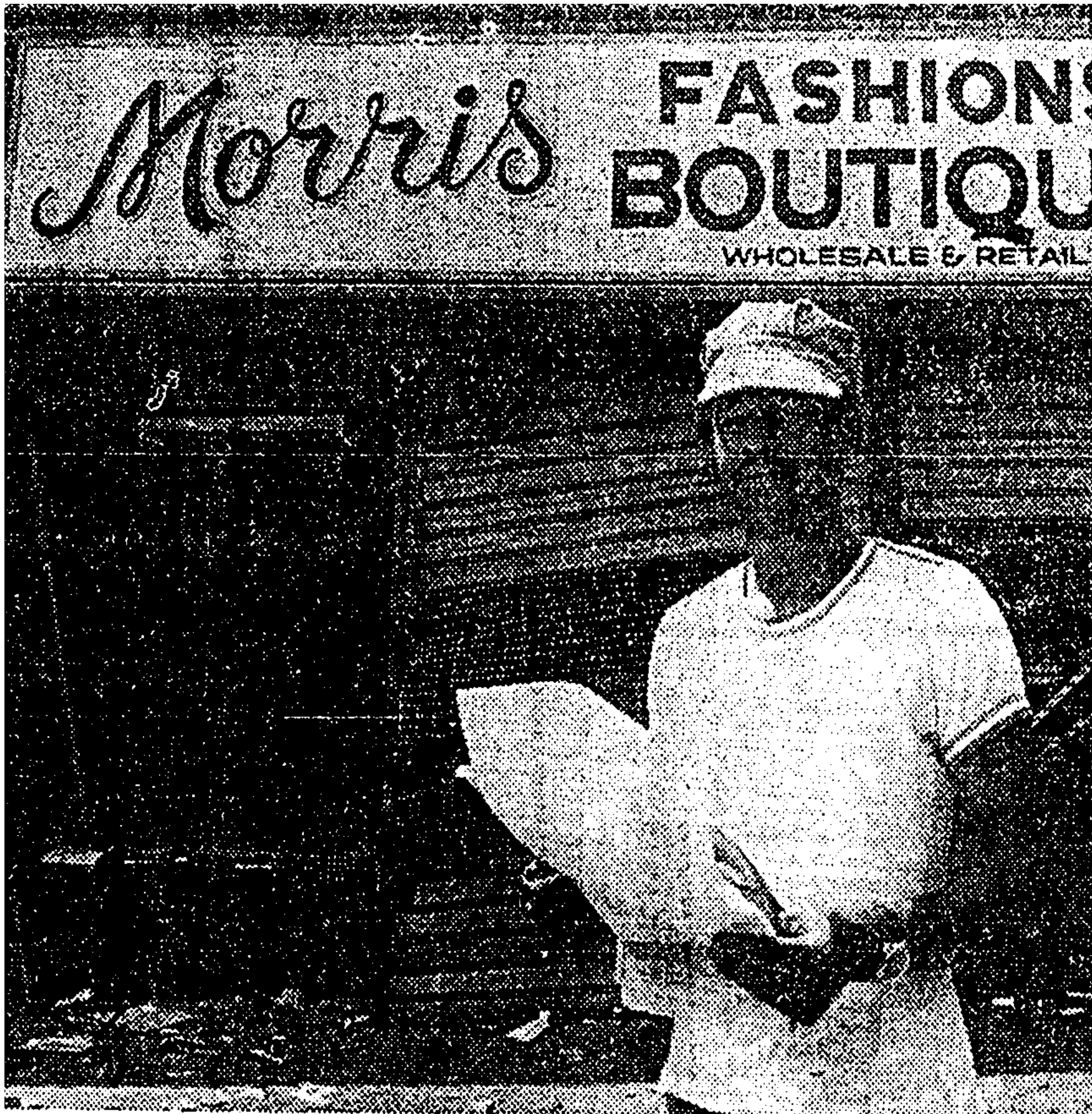
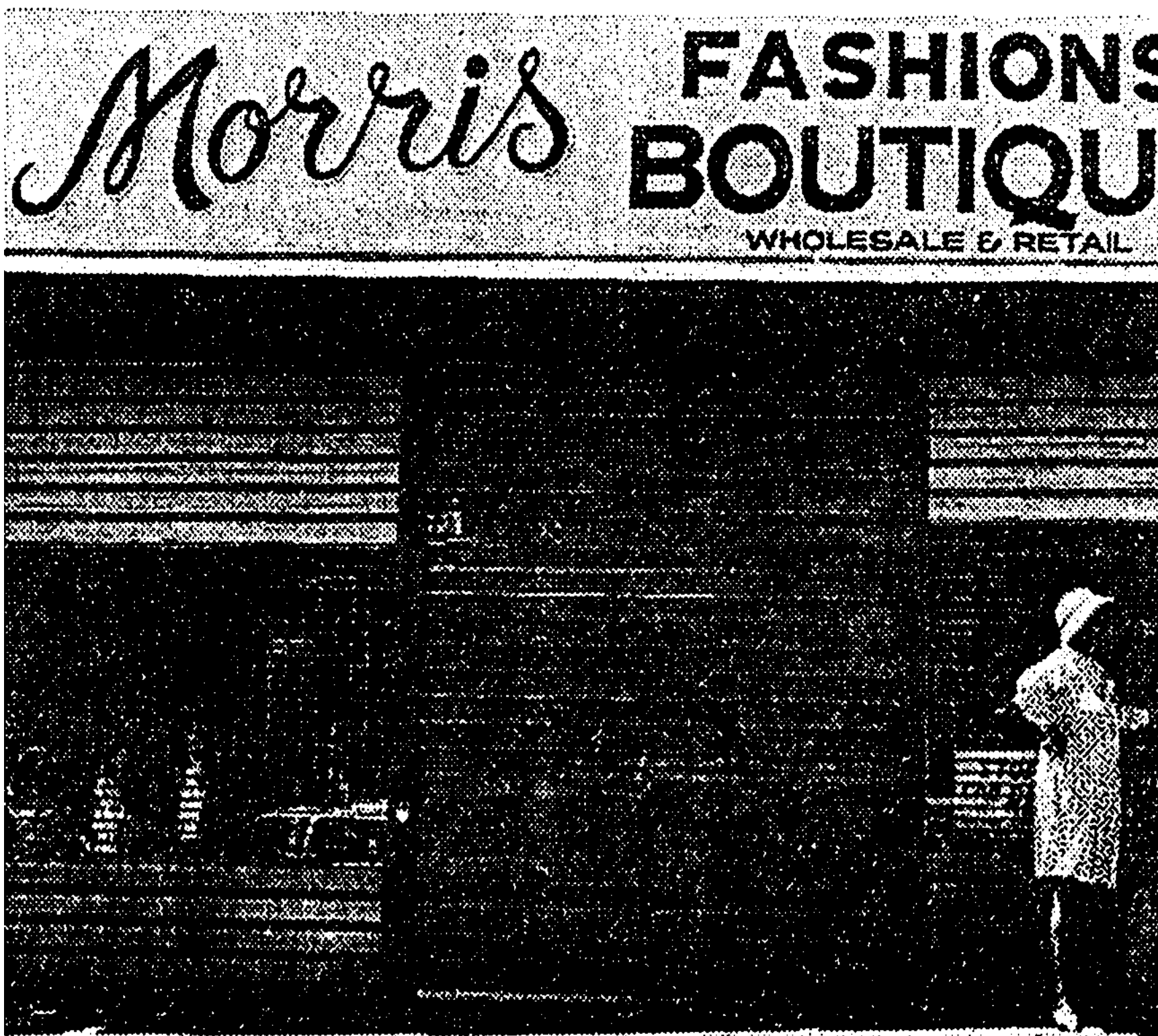


Vivid Scars of '77 Blackout Remain in City



The New York Times / William E. Sauro

JULY, 1977: Guillermo Battista in front of his vandalized store after blackout



The New York Times / Garv Settle

JULY 1978: The store, at 1191 Morris Avenue in the Bronx, remains shuttered

By PRANAY GUPTA

In the aftermath of last year's great blackout, New York City officials promised swift action and a steady flow of funds to stabilize neighborhoods ravaged by looters. The promises were aimed at restoring the commercial and residential life of areas that had already been suffering from severe decay.

Today, exactly one year later, there are few visible signs of fulfillment of that commitment.

Instead the blackout of July 13-14, 1977, has left in its wake growing frustration,

Of 3,076 persons arrested last year on blackout-related charges, only 110 have drawn jail terms of a year or more, state officials said. Page A18.

disappointment and anger in poverty areas of Brooklyn, Manhattan and the Bronx. Merchants — many of whom lost their life savings in the vandalism that swept across the city — as well as residents of such sections as Bushwick in Brooklyn and East Tremont in the South Bronx, say they are filled with despair.

They say they are disillusioned over officialdom's apparent inability to deliver on its promises.

'They Have All Talked'

They recognize, they say, that it would have been naïve to expect a dramatic upswing in the ransacked neighborhoods within just a year, particularly when the city has itself not been extricated from its fiscal crisis.

Still, these men and women say, there should have been more discernible evidence of New York's professed concern for its poorer neighborhoods.

"They have all talked a very good game, but that is really all they've done," Laurence Levy, who owns buildings in Bushwick, said of city officials. "They're talking about repaving Broadway, and they're talking about painting the elevated subway structures. But that's just gingerbread."

Mr. Levy's voice rose.

"Lip service," he said. "They have paid nothing but lip service. One agency blames another, and together they blame the previous administration."

In the Bronx, Louis Nazario, manager of R&R Records, at 74 East Burnside Avenue, said: "The neighborhood is still burning. The good people are moving out."

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Vivid Scars of 1977 Blackout Remain Among Businesses in the City

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"I live here, and I'm looking to move, too." Comments like these are not relished by Mayor Koch and his aides. But, Mr. Koch said, despite the disgruntlement, "what we have succeeded in doing is giving the communities involved a new sense of hope."

"There should have been some visible signs of progress," acknowledged Robert Wagner Jr., chairman of the New York City Planning Commission. "I don't think that the blackout sounded the death knell for certain neighborhoods, as some said, but the initial fanfare and the subsequent failure of the city to immediately follow up on measures has not been helpful."

"It's up to this new administration to show that we do have a commitment. I keep stressing to neighborhood residents that we have only been here for six months, that they're going to have to bear with us, that government doesn't do things immediately but that there is a firm and complete commitment on our part."

Such sentiments were conveyed by Mr. Wagner yesterday to merchants from Bushwick. At that meeting, Maurice L. Phillips, president of the Broadway Merchants Chamber of Commerce, said forcefully: "We're tired of waiting."

Mr. Phillips and other critics of the city administration point out that several major municipal programs for the rehabilitation of such areas as Bushwick have lagged because of legal and bureaucratic delays. In Bushwick, for example, a \$43 million project suggested by a Koch administration task force has yet to get started, and a \$17 million "P 60" housing plan, which is to create 330 units, has been bogged in litigation.

The critics point to physical decay that, a year after the blackout, seems to be spreading in such neighborhoods as Bushwick, the South Bronx and East Harlem; to burned-out buildings, with metal strips dangling from ugly, shell-like structures; to scores of shops that are still closed, some sealed off with cinder blocks and others boarded with plywood, on which the most obscene graffiti has been etched; to mounds of debris in vacant lots.

Loans and Insurance Elusive

Mr. Phillips used to own a men's clothing store at 1383 Broadway in the Bushwick section. The store, he said, was completely wiped out by looters and he has not been able to obtain affordable loans and fire insurance to reopen. In fact, fewer than 10 percent of the looted stores on Broadway between Halsey and DeKalb Avenues — once one of the busiest commercial strips in Brooklyn — have been able to reopen.

The question of loans and fire insurance at affordable rates is a sensitive one for merchants of the ravaged areas, largely because hardly any new money is available to them. As in the days prior to the blackout, the banks and major insurance companies seem reluctant to commit funds to entrepreneurs in low-income, high-crime localities.

For instance, David Blake, who owns Blake's Pharmacy at 1868 Third Avenue in Manhattan, at 103d Street, has had problems getting insurance for his business. He reopened the pharmacy — which was badly damaged during the looting — about three months after the blackout, but since that time vandals have broken in several times. Now Mr. Blake is suing to obtain insurance.

In the days following last year's blackout, the Federal Government's Small Business Administration received 4,033 applications for disaster-assistance loans, of which 1,954 were returned as invalid, 346 were turned down and 133 were withdrawn by petitioners.

Eventually 1,472 applications were ap-

proved, and the S.B.A. distributed \$38.7 million in loans at an interest rate of 3 percent. According to Mark Landry and David Crown of the Federal agency, the average loan was for about \$25,000, with up to 30 years granted for repayment.

However, the \$38.7 million in loans made available by the Federal Government, the \$2.8 million that was given in Federal crime-insurance payments and the \$3 million that was given in outright grants to 1,771 vandalized business establishments by the specially created Emergency Aid Commission came nowhere near the total lost by merchants.

Precise Losses Not Available

Just how much precisely these merchants lost will probably never be known, but the figures most commonly used put the losses at between \$150 million and \$300 million.

For example, Mr. Phillips, the Bushwick haberdasher, says he lost \$250,000 worth of merchandise. In the Bronx, Irving Weiner and Richard Margolin, who run the R & M Appliance and Furniture Sales Corporation on East Tremont Avenue, report losing \$121,000 worth of goods and receiving a grant of only \$300 from the city. The two men balked at applying for a S.B.A. loan when they realized they would have to put up personal assets as collateral. They struggled to put together money to reopen their shop, but they say that business has definitely fallen off.

Scores of stores were so hard hit that they have simply been unable to reopen.

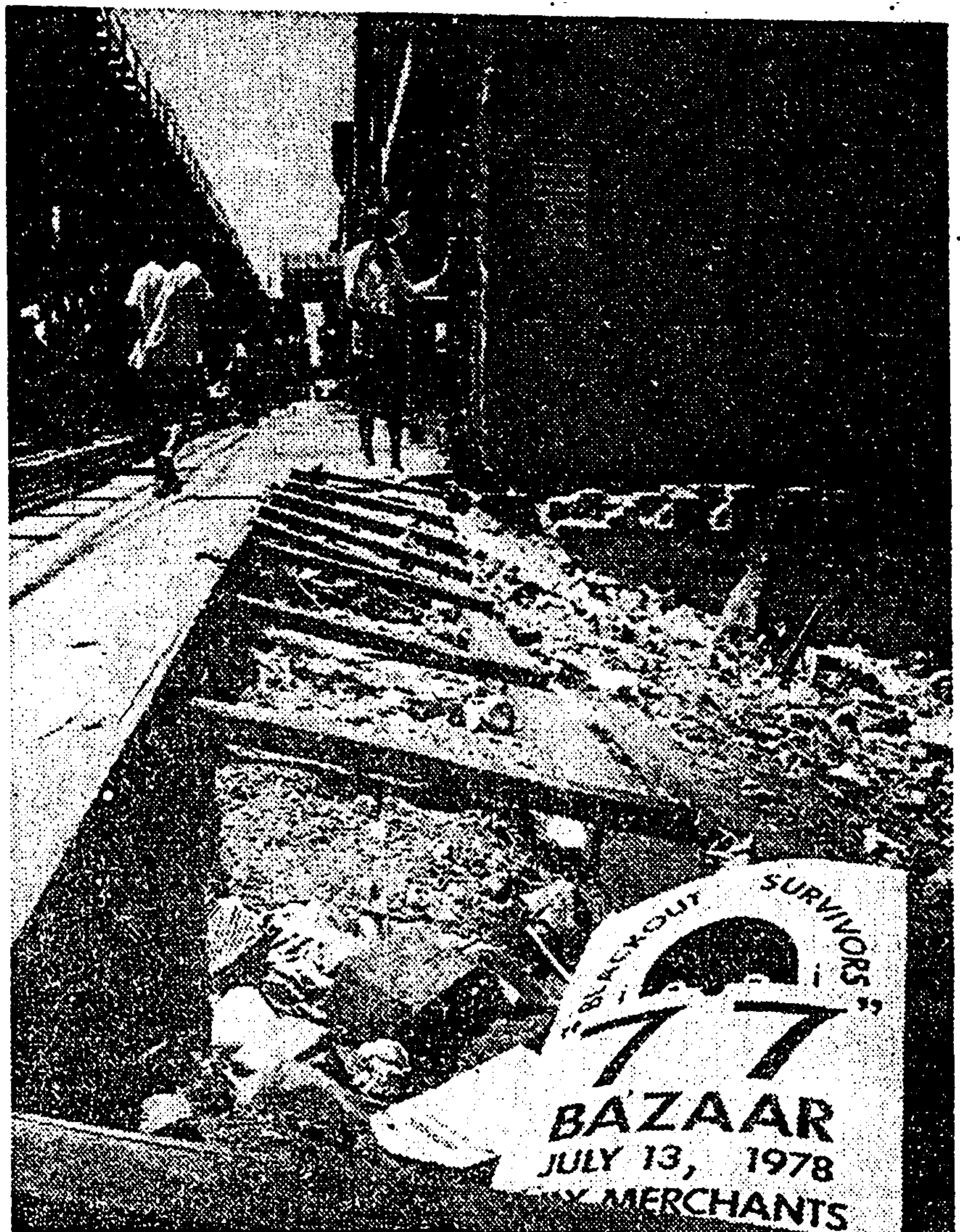
One of these stores was Morris Fashions Boutique at 1191 Morris Avenue in the Bronx. Guillermo Battista, the owner, struggled for many months to get his business back in shape. Now there is a sign on the store's window: "For Rent." It is a sign that can be found increasingly in that neighborhood and others like that were vandalized during the blackout.

East Tremont Avenue in the South Bronx, for example, a mile-long strip of neighborhood stores that, until the blackout, was almost always busy with trade is now peppered with vacant, boarded-up storefronts, wrecked buildings, rubble-strewn lots and "store for rent" signs.

Similarly Bushwick's Broadway, a three-mile stretch between the Williamsburg Bridge and Eastern Parkway, is pocked with unopened stores.

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An elderly man passing in front of the Muebleria Miguel Furniture store in Brooklyn's Bushwick section the morning after last year's blackout. The store, on the corner of Broadway and Van Buren Street, had been looted and burned.



The New York Times / Tyrone Dukes

Yesterday a poster advertising a blackout-survivors' bazaar littered the rubble-strewn vacant lot where the furniture store stood.

After the 1977 blackout, the city started a drive against one of the chief problems plaguing such areas as Bushwick and the South Bronx — arson. The program worked and, according to Cecil Maloney, a supervising marshal in the investigation section of the Fire Department, 55 alleged arsonists were arrested between last August and December.

But now there is once again an increase in arson activity, Mr. Maloney said. Last month, he noted, there were 804 reported cases of arson throughout the city — mainly in the poorer areas — while in June 1977 the figure was 669.

"It's a deep-rooted problem," Mr. Maloney said. "The arson situation reflects a deeper malaise."

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